




J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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August 19, 2004

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley  
Auditor-Controller 

SUBJECT: **EXPANSION OF COUNTYWIDE CONTRACT MONITORING  
PROJECT TO INCLUDE DEPARTMENT OF HEALTH SERVICES  
CONTRACTS (Board Agenda Item #5.4, June 21, 2004)**

At the meeting of June 21, 2004, your Board directed the Auditor-Controller to identify the additional resources needed to expand the Contract Monitoring Pilot Project (Pilot Project) to include contracts in the Department of Health Services (DHS) and report back within 60 days.

On July 27, 2004, we met with DHS management who indicated that they would like to be included in the Pilot Project expansion. The Department estimates that it has 2,400 to 3,500 contracts. We requested that DHS provide us with a current listing of all their contracts by program and include the number of staff currently used to monitor the contracts and the frequency in which the contracts are required to be monitored.

Yesterday, DHS provided us with the requested information. In the next few days, we will meet with the Department's representatives to identify the program(s) to include in the Pilot Project. In the next 30 days, we will report to your Board on which DHS contracts we propose including in the Pilot Project and our need for additional resources.

*"To Enrich Lives Through Effective and Caring Service"*

If you have any question, please call me or your staff may call Maria Oms at (213) 974-8303 or Don Chadwick at (626) 293-1102.

JTM:MO:DR:DC

c: David E. Janssen, Chief Administrative Officer  
Department of Health Services  
Thomas L. Garthwaite, M.D., Director and Chief Medical Officer  
Fred Leaf, Chief Operating Officer  
Violet Varona-Lukens, Executive Officer  
Public Information Office  
Audit Committee